

Taxes &c. 12.

THE
CHALLENGE.

OR,

PATRIOTISM put to the TEST.

IN A LETTER to the Rev. Dr. PRICE,

Occasioned by his late Publications on the
NATIONAL DEBT:

In which a SUPERIOR METHOD to the
SINKING FUND for the above Purpose is
fully demonstrated, and recommended to
the CONSIDERATION of the PUBLIC.

By J O S. W I M P E Y.

L O N D O N.

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THE UNIVERSITY OF CHICAGO

Continued by the following pages

the consideration of the Fund, fully demonstrated and ascertained to sinking Fund for the above purpose in which a subscription was made to the

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**THE
CHALLENGE:**

OR,

PATRIOTISM put to the TEST.

In a LETTER to the Rev. Dr. PRICE.

**Occasioned by his late Publications on the
NATIONAL DEBT.**

REVEREND SIR,



**HAT, Trouble is a tax which
is too frequently laid on Good
NATURE, is a maxim of long
standing. And a character re-
spectable for CANDOUR and INGENUOUS**

B

UR-

URBANITY is liable to the vices of impertinents, who dare not shew their heads where moroseness and austerity dwell: Therefore, though VIRTUE bears its own reward, it sometimes subjects its VOTARIES to inconvenience.

On this footing I venture to address the following sheets to you, without the least apprehensions of an unfair, or uncivil correction.

I venture to own too, that I have the assurance to consider myself as a brother soldier engaged in the same warfare. Let me be understood; I by no means aim at assuming a degree of equality. A Generalissimo and a Subaltern are brother soldiers. I cheerfully respect you as the commanding officer, while I am content with an humbler station. Allow me sincerity and well-meant intentions, and I shall be very happy in my subordinate post.

I think the Public are much indebted to your laborious endeavours to demonstrate

strate the insufficiency of the many schemes in use to make good their proposals; for want of which, the *purchasers* must hereafter feel great disappointment and loss. But there is another business you treat of, of infinitely greater importance, and of much more universal extent; and therefore is deserving of universal consideration and attention.

The important business I mean, is, the NATIONAL DEBT. A business which carries with it an idea of *national bankruptcy* and *ruin*. From which, you maintain, that there is but one possible means of escape; and that is by the constant, unalienable application of the sinking fund, towards discharging the same.

That the SINKING FUND, at the time of its institution, was a proper measure, and would have effectually answered the intended purpose of discharging the national debt is clearly demonstrable; provided Government had taken care to have raised Supplies sufficient to discharge cur-

rent expences as they arose. But every one must surely see the mighty difference there is between providing for the payment of the interest, and discharging a debt of fifty-five millions, (the amount of the debt at that time) and a debt of one hundred and forty millions, the amount of the present debt. If the interest of the first is two millions, the interest of the last is five millions six hundred thousand pounds. The nation at that time might be very able to bear the payment of two millions standing interest, and the current supplies of the year; it may now be able to pay the the interest of twice that sum, and the current expences of the year, and yet be utterly incapable of paying the interest of the present debt, and the necessary incidental expences. But as in the course of your treating this subject, in your Appeal to the Public, there are several things that are either above my comprehension, or contrary to my reason; I will beg leave to refer to the Appeal, and take them in course as they offer.

In

In p. 2. you say, " That in order to
 " justify the Alienation of the SINKING
 " FUND, it has been usual to plead, that
 " when money is wanted, it makes no
 " difference whether it is taken from hence,
 " or procured by making a new loan
 " charged on new funds. I have called
 " this a SOPHISM, and asserted, in oppo-
 " sition to it, that the difference between
 " these two ways of procuring money, is
 " no less than *infinite*."

You then proceed to define the *general*
 idea of a SINKING FUND, which I think
 you have done very truly.

You then point out three ways, in which
 a kingdom may apply such a saving.

" 1st, The *interests* disengaged from
 " time to time by the payments made
 " with it, may be themselves applied to
 " the payment of the public debts."

" Or, 2dly, They may be spent in
 " current services."

Now,

Now, Sir, you make the difference between these two ways of appropriating the fund no less than *infinite*.

The first proposition, I think, is evidently true; for a fund that produces annually more than will pay the interest of the debt, being constantly applied towards the discharge of the interest and debt, *must* annually diminish, and finally will discharge the same. But when the sense of both propositions are considered as they relate to the good and ill, or rather profit and loss of the public, I cannot make out the infinite difference you so clearly see, or, indeed, any difference at all.

I am not in love with the statesmen's SOPHISM, I am desirous of avoiding all SOPHISMS, be they from whence they may. Let us suppose then, that a NATION is indebted to the amount of 140 millions, that the interest on the same is 5,600,000, and that its ability will extend no farther than to furnish 6,600,000; by any possible means whatever. However,
in

in conformity to Dr. Price's opinion and advice, it is resolved to apply the whole 6,600,000 to pay the interest due at the end of the year, and towards discharging the debt. This being repeated year after year, it would operate exactly in the manner the doctor has said. At the end of the first year one million; at the end of the second, a second million, together with the interest of the first; at the end of the third year, a third million, together with the interest of the two former millions, and the interest of the interest of the first. And thus would it go on till the whole debt and its interest were paid.

The next consideration is, how to provide money to defray the current expences of the year. A resolution is taken to act in this also conformably to the doctor's opinion; which is to borrow money for the purpose. Indeed it has no choice left; for six millions being the utmost its ability will by any means extend to, and that being applied as above, borrowing is the last and only resource. Let us suppose a
million

million is found necessary for this purpose, and the interest to be four per cent. the same as the interest of the million discharged at the end of the first year. At that time the account will stand thus.

To the amount of the national debt £ 140,000,000
To one year's interest ————— 5,600,000

By amount of all the resources of the state 6,600,000

Total of the old debt at the end of the first year ————— 139,000,000

To second year's interest ————— 5,560,000

By amount of resources, as before 6,600,000

Total amount at the end of the second year 137,960,000

To third year's interest ————— 5,518,400

By amount of resources, as before 6,600,000

Total amount at the end of the third year 136,978,400

To fourth year's interest ————— 5,475,136

By resources, as before 6,600,000

Total Amount at the end of the fourth year 135,753,536

And

And thus we might proceed till the whole debt should be discharged. By the above calculation it appears, that £ 4,246,464 would be discharged from the old debt in four years; that is, four millions from the resources, and the remainder of the sum by means of the operation of the interest.

Now let us see how we stand in respect to the NEW DEBT, which we are contracting for the annual service of the year.

Borrowed at £ 4 per cent. for the current		
service of the first year	—	£ 1,000,000
to one year's interest at the end of the		
second year	—	40,000
Amount of the new debt at the end of the		
second year	—	1,040,000

I. B. As the nation annually disposes of the whole amount of its resources, and therefore cannot discharge the interest of the money it borrows, that at the end of every year becomes PRINCIPAL; or, which is the same thing, it must borrow as much more at the end of each year, as may be necessary to pay the interest of the preceding years, and so on from year to year.

C

Brought

Brought over the amount of the new debt at the end of the second year	—	£ 1,040,000
Borrowed for the service of the second year		1,000,000
		<hr/> 4,040,000
To third year's interest	—	81,600
Total amount of the debt at the end of the third year	—	<hr/> 8,121,600
Borrowed for the service of the third year		1,000,000
		<hr/> 3,121,600
To fourth year's interest	—	124,864
		<hr/> 3,246,464
Borrowed for the service of the fourth year		1,000,000
Total amount of the new debt at the end of the fourth year	—	<hr/> 4,246,464

Which being exactly the sum the old debt decreased in the same time, being added to the remainder, makes the sum total precisely the same, and puts the NATION *in statu quo*.

PROOF.

Amount of the old debt at the end of the 4th year	135,753,536
Amount of the new debt at the end of the same year	4,246,464
Total amount of the national debt	<hr/> £ 140,000,000
	at

at the end of the fourth year, without the least diminution whatever. And should such a measure be pursued 40 or even 400 years, the debt would remain exactly the same.

The doctor's comparison of a "*Sinking Fund*" to a corn of grain sown, which, by having its produce sown, and the produce of that produce, and so on, is capable of an increase that will soon stock a province or support a kingdom." Is very pretty; but I am afraid not just. I should rather compare it to a parson's barn, which is always open to receive whatever is brought to it; but never increases the quantity till the next tithing brings a fresh recruit of stock. The doctor seems to speak of a *Sinking Fund* as a spring or fountain, whereas at best it is no more than a reservoir, which depends entirely upon other springs or sources, as we shall see by and by; when they are stopt or cease to flow, the reservoir of course is speedily drained and continues empty and useless. But you go on, Sir,

page 4.

“ The *former*, be its income at first
 “ ever so much exceeded by the new
 “ debts incurred annually, will soon be-
 “ come superior to them, and cancel
 “ them.—The *latter*, if at first inferior
 “ to the new debts incurred annually,
 “ will for ever remain so; and a state that
 “ has no other provision for the payment
 “ of its debts, will be always accumula-
 “ ting them till it sinks.”

I humbly conceive, doctor, the calcula-
 tions in p. 8 and 9. fully disprove the first
 part of this observation. For without
 supposing the income of the former way
 to be *ever so much* exceeded by the new
 debts incurred annually, it appears from
 thence, that the new debts must ever in-
 crease as the old ones diminish, and that
 the state gains no advantage by the mode
 recommended.

As to the latter part of the observation,
 if the provision at first, or indeed at any
 time after, is inferior to the new debts
 incurred annually, the debts must continue
 to increase, so long as the provision for
 discharging them may fall short of their
 amount;

amount; which in time would accumulate to a height that would infallibly sink the state. But pray, doctor, give me leave to ask, if there is no medium? Should the state find it has ability to discharge the interest of the present debt annually, and provide for the current services of the year, and should take their measures accordingly, the present debt might stand as it does now an hundred years, without the least tendency to sink the state below what it is at this moment. For so long as the people can furnish money to discharge the whole current expences of the year, with an overplus; such overplus being applied as it ought, will certainly diminish the debt. But when these expences exceed their utmost ability, the debt, in spite of all management, will increase; and I conceive it can make no difference how any former surplus's may be applied, if towards the discharge of the old debts new ones must be contracted, with an interest daily accumulating.

But it is time to enter thoroughly into this business. I have said above, the *Sinking Fund* has nothing in it of the nature of

of a spring; it must be supplied from time to time, or it will necessarily cease to act, and to be any thing more than a name. The only *Source* is the *Purse* of the people; when that is drained, good bye to all *Funds*, call them by what name you please. Their infinite difference and omnipotent powers immediately vanish.

A *Fund* of £200,000 per ann. or a million per ann. continued for 500 years, would avail nothing, unless the people could besides, and over and above those sums, discharge the interest of the present debt, and defray the current expences. Without such abilities, a *Sinking Fund* is a mere chimera, and a new debt might accumulate with twice the rapidity that the old one could be cancelled. 'Twould be like holding a double chalk in one hand, and a sponge in the other, and making two strokes with the right, while one was rubbed out with the left; the longer you chalk and rub, the larger and longer would be the account.

That money, at compound interest, would accumulate in the surprizing manner
you

you have said, is demonstrably certain, and it is just as certain, that the interest of money borrowed, if not punctually discharged, would accumulate in the very same manner, and with equal celerity. That it has not been discharged without incurring new debts, is abundantly manifest from the present frightful extent of the *National Debt*. Nor is it always right, or does it signify to inveigh against *Administration*. *Ministers* are but men, and are too frequently necessitated to pursue measures by a majority of the people, for which they are reviled and condemned by the rest.

The most salutary measures will not always secure a *Minister* from censure and obloquy, nay sometimes they draw it upon him. In proof of this a recent instance is at hand. A NOBLE LORD, who deservedly holds the first place in *Administration*, about two years since proposed the discontinuing the bounty on the exportation of corn, and carried his point, though not without violent opposition; this proved in the event a measure of the most fortunate kind, that any time or nation can boast.

By

By this means our people were plentifully fed, while most of the states and kingdoms in Europe felt a very dreadful famine, and many thousands actually perished for want of bread. Not to mention the saving of about half a million to the nation, which would probably have been paid those two years for bounties, and many thousands of our people destroyed. For this very measure which so remarkably saved us from ruin, the MINISTER was loaded with infamy, and most unjustly accused of *sacrificing the interest of his country to his popularity*. Such is the fate of MINISTERS; their fairest bloom is ever liable to be blighted and swept away by the noxious blasts of envy and discontent. The present has stood his ground firm and unshaken, amidst the rage and violence of the populace, excited by the deadly acts of envy and malignity: And I will venture to say, if the *Nation* should be fortunate enough to have him at the head of affairs a few years longer, they will find themselves in a more prosperous and respectable situation than they even hoped. But whatever envy and discontent may suggest, the populace

palace should ever retain the most grateful remembrance of this most salutary measure, and its noble author, who in a true literal sense, furnished them with bread; for want of which they must otherwise have inevitably perished.

What can the Ministry do against the general bent and inclination of the people? In a full House, a very few days since, was there a single *Member* who opposed the reduction of the *Land-Tax*, from four to three shillings? Ask the first hundred freeholders you meet, if they are for reducing the *Land-Tax* to three shillings, or keeping it up to four, in order to reduce the *National Debt*; if you meet with one out of the hundred who would vote for the latter, I shall be much surprized. There was a time when the *Sinking Fund* might have answered so desirable a purpose, but even then not with so much ease as is generally imagined; for how far soever the doctor's honest zeal for the permanent prosperity of his country may carry him, ninety-nine in an hundred are for the enjoyment of the present hour; and Administration dare not tax the people for a long series of

D

years

years in *peace*, as they may in *war*.—
 The burden is heavy and grievous; they
 have borne it long, and are very apt to
 think it is made more oppressive than is
 necessary. In times of imminent danger,
 when their fears are alarmed, they are
 generous and free, and will strain every
 power; but in times of peace, he that
 may dare to insist upon such a degree of
 painful exertion, will be considered as a
 traitor and a robber, and would be treated
 accordingly.

You think, Sir, the operations of the
Sinking Fund is so clear and certain, that
 all further explanation is unnecessary. But
 all this is upon certain conditions that lurk
 in *petto*. The reader not perceiving those
 latent conditions, attends to the argument
 as it stands, and assents to the conclusion,
 as demonstrably certain.

“A nation capable of setting apart the
 “annual sum of £200,000,” interest at
 5 per cent. might in 86 years accumulate
 above 260 millions; which would dis-
 charge the present *National Debt*, and
 leave 120 millions as a capital to answer
 any

any future expence that might accrue. Now this is a fact which is clearly demonstrable; and therefore 'tis concluded that to continue, the nation groaning under its oppressive weight, argues folly, madness; or some cause of a more malignant nature, arising from the depravity and corruption of ministers. But this amazingly great, good work, is to be performed only upon certain conditions, which conditions do not appear. The *Conditions* are, That during the time the sum of £ 200,000 is annually set apart to accumulate, the nation shall pay and discharge the whole interest of the present debt, together with all and every incidental charge and expence that may accrue in time of war or peace, for and during the said term of 86 years. A *Condition*, which if any regard is to be paid to past events, absolutely vacates and annuls the benefit and advantage of the whole measure. For admitting that certain branches of the *Revenue* do produce a surplus of £ 200,000 per ann. which is sacredly applied towards the discharge of the national debt, according to the true intention and meaning of the *Sinking Fund*. If the circumstances of the times, from the

exclusion

D 2

into-

intolerable burden the people groan under during the same, should render it necessary for Government to borrow £ 400,000 annually, together with the interest from year to year on the accumulating debt; the state of the *National Debt*, then, instead of having paid off its present debt, and raising a *capital* of 120 millions, would be this: At the end of the term it would be 260 millions in debt, which is greater than the present debt by 120 millions. This would then be our true and most deplorable situation; and this, the history of past times fully declare and confirm.

In 1716 the *Sinking Fund* was instituted, the national debt at that time was about 55 millions, this was 56 years ago, and the debt is now about 140 millions; so that it is increased in that time the surprising sum of 85 millions. To this you remark, this increase of debt is owing entirely to the Sinking Fund's being misapplied to the payment of current annual expences, instead of being applied towards the discharging the old debt. This I beg leave to say, Sir, I conceive to be a great mistake;

mistake; for had the Sinking Fund been applied as you desire, and new debts contracted to the same amount, these, with their interest, would have accumulated to the very same sum as the old ones discharged with its interest, and in the same time. But if you will set apart a sum of money, and calculate its effects from the operation of compound interest on the one hand, and borrow the same sum of money, leaving out its operation of compound interest on the other, by that means you may discharge any debt, or raise any fortune, let the extent of the sum be what you please. Was it as easy, doctor, to discharge the national debt, as it is to make figures and raise schemes of calculation, you and I could jointly or separately exonerate the whole, and set the *Nation*, in a few minutes, as clear as it was at the REVOLUTION. But I must beg leave to insist, that there is no doing it by means of a *Sinking Fund*, unless such *Fund* be supplied from time to time by levies raised on the people. This is a task they have not been equal to, since the commencement of the debt, which is abundantly evident from its continual increase to the present

present amount. The longer it lasts, the heavier the burden grows, and of course in length of time will become so heavy as no longer to be borne.

These observations being duly attended to, will, I apprehend, satisfactorily answer all you have advanced in favour of the superiority of a sinking fund; and therefore I need not apply them to every particular case you mention, though they are equally applicable to each. But p. 7 and 8. containing some peculiar matters, I must not pass them over in silence. You say,

“It is an observation of particular importance here, that there is no benefit to be derived from employing a fund in the *second* of the ways I have mentioned, rather than the *first*. In both cases the taxes are continued during the operation of the fund, and the national burdens are the same. In the former, a disengaged tax is employed to pay a debt, and in the latter, to *save* a debt, which must have been otherwise incurred; and *thus far*, the two funds are perfectly equal in their influence on the public.”

“public.” There is a wide difference then, Sir, between your opinion and mine, and I am apt to think, between your’s and the public; or I cannot see what should induce them to divert the sinking fund from its intended course. The ultimate influence, in respect to the amount of the debt, would be equal; but certainly the difference of the present influence is very great. Suppose the nation has a million more to raise than it can conveniently find ways to do, and that sum lies ready in the sinking fund, ’tis resolved therefore to use that million for the purpose. By that means Administration is relieved from the difficulties that would attend the raising it; and the people are relieved by paying a million less than otherwise they must have done. Therefore ’tis plain, what would have been a present burden, and probably a very grievous one, is entirely avoided by such an application of a million from the sinking fund, and the old debt remains the same to be paid hereafter instead of the present time. But you say,

“The difference which will appear on tracing them farther,” (speaking of the
two

two ways of applying the fund) "is a
 "difference entirely in favour of the for-
 "mer fund; and a difference too, which
 "is not balanced by any kind of loss or
 "expence.—A disengaged annuity, if em-
 "ployed to pay a debt, will obtain for the
 "public another annuity, and that another
 "*in infinitum*. Whereas if employed to
 "save a debt; or, which is the same, the
 "interest of a debt, as that interest would
 "not itself have borne interest, no farther
 "advantage could arise.—In short; in the
 "one case the disengaged annuity is PRO-
 "LIFIC, and contains in itself a number
 "continually growing of other annuities.
 "—In the other case, it is a BARREN
 "annuity."

I will not call this reasoning *fallacious*,
 because I am thoroughly convinced Dr.
 Price does by no means intend to mislead
 the Public; but I must beg leave to say,
 I think he is much mistaken. The Pro-
 positions are, that the applying the fund
 towards the discharge of the debt, is en-
 tirely in favour of that way, which is not
 balanced by any kind of loss or expence.—
 That in the first way it bears a compound
 interest;

interest; in the second, its interest bears no interest; in the first case it is *prolific*, in the second, it is *barren*. But why does it bear no interest in the second way of applying it? Suppose I borrow £ 1000 of Dr. Price, (but perhaps he will say you shall not, for I will not lend it you; but, good doctor, lend me the supposition, that is all I ask) at 5 per cent. At six months end he calls for his interest, I then pay him £ 25. On the morrow he calls again, and says, I find I shall not want this money, give me your note for it with interest, and you may have it for six months if you please, which is done accordingly. At the end of six months more, he calls again for £ 25. due for interest on the £ 1000 at that time, which I pay him. He then pulls out his note for £ 25, which I gave him before, saying, You may as well take this note, pay me 12 s. 6 d. the interest due on the same, and give me your note for £ 50, to carry interest from this time, and there is your former note, and the £ 25 you paid me. Thus we might go on from time to time till the interest equalled the principal, or any time you please. Now the question

E

between

between the doctor and me is, whether I have paid, and he has received interest upon interest or not? In the eye of the law I have not; that is, not in such a way as will render him culpable and subject to punishment; but in reality and fact I have to all intents and purposes,

In this manner it operates exactly between the public and its creditors. A gentleman who has money in the funds, for which he receives a dividend of £ 1000, it is at his option either to invest that interest again in the funds, or dispose of it otherwise; but which way soever he chooses, it makes no difference to the public, if their necessities oblige them to borrow; it does not signify, whether it is the money they paid for interest, or whether it is a fresh sum from a different hand, it subjects them to the payment of a fresh interest, and operates exactly in the same way, and to equal disadvantage as if they should pay interest upon interest, and is equally PROLIFIC in every respect to the *first* method.—As to what the doctor says of “ preferring an exemption from the burden of ONE annuity, to an exemp-
tion

"from MANY, and subjecting a king-
 dom to the loss of 208 millions, only
 "for the sake of saving a debt, rather
 "than paying an equal debt; that is, from
 "a regard to a circumstance in itself ab-
 "solutely frivolous," I conceive to arise
 from his partial manner of stating the
 case. The loss to the kingdom would
 not be 208 millions, nor so many pence,
 in one way more than the other, but ex-
 actly the same. The reason of the appa-
 rent difference is, that he reckons com-
 pound interest on the money paid by the
 sinking fund in discharge of the debt;
 but reckons no interest on the same money
 when applied in discharge of current ser-
 vices; or, which is the same thing, the
 people must pay in the *first* way as much
 more money than they do in the *second*,
 as is equal to the sum paid by the sinking
 fund; and a compound interest reckoned
 upon that surplus, be the sum what it will,
 will render the disbursements exactly equal
 to the public, and consequently is a matter
 of no signification.

This method of reasoning runs through
 the whole of the doctor's writings on this

subject. Whereas had he considered, that money in the hands of individuals is equally valuable as it is in the hands of Government, and that its interest will accumulate by their use of it equally fast at least, often much faster, he never could have thought that any sum employed in one way of paying debts, could have been so far exceeded by another. The different ways or MANNER of application is nothing, the difference arises solely from the public's paying (according to his plan of a sinking fund) a large sum of money annually in that way more than they do in any other, and that with its interest constantly accumulating produces the mighty sums he ascribes to the mere MANNER of applying the money. Whereas, was the national debt continued, and these sums which compose the savings or surplusses of the sinking fund suffered to remain with the individuals that furnish them, the same sums would produce the mighty ones the doctor quotes, besides many further advantages the extra use of it would produce in their hands, over and above the common rate of interest.

I do not mean to insinuate, that the paying off or lessening the national debt is not a desirable object; I should heartily rejoice to see any measure adopted for that purpose which would in any degree answer consistently with the peace, safety, and tolerable subsistence or well-being of the people; but to augment taxes already much too burthensome and grievous, to exonerate posterity from like burdens, would, I fear, be introducing a scene of wretchedness and misery we might very soon repent, and prove exceedingly dangerous for Administration to attempt. But in p. 15. you say,

"From these observations the truth of the following assertion will be very evident."

"A state may, without difficulty, redeem all its debts by borrowing money for that purpose, at an equal or even any higher interest than the debts bear; and, without providing any other Funds than such small ones, as shall from year to year become necessary to pay the interest of the sums borrowed."

If you can reconcile this assertion to practice, doctor, according to the obvious, literal meaning of the same, you will be the greatest *Benefactor* to individuals as well as the public, the world ever knew. I will venture to say, this is a secret no man is master of but yourself, and it is therefore well worth the study and labour of every one to make himself fully acquainted with.

But I will beg leave to make an observation or two, which will furnish an infallible rule to try the truth of this, and all other assertions of the same kind by.—

Whenever the public or individuals are once in debt, they *must* ever remain so as long as their expences or outgoings equal their income. Suppose A. is indebted in the sum of £ 100, and spends the whole of his income as fast or faster than he receives it, he may get further into debt, but should he live a hundred years he could never get out, nor in the least diminish his debt.—Should he, upon your plan, borrow money of others, at an equal rate of interest, by that means he might shift the debt from his present creditors to others,

but he would be the same debtor still, without the least relief from borrowing. But should he borrow at a higher rate of interest, (as you say he may, and notwithstanding that diminish his debt) 'tis very evident to me, his debt would increase in proportion to the advance of interest.— But I am not a stranger to the salvo you here call in to your aid, I mean the *provisoe*, formerly mentioned. I should be sorry to offend, doctor; but I must beg leave to say, this appears to me to be downright begging the question, as may appear by what follows.

You say, Sir, “ Suppose our Parliament, “ in the year 1706 had resolved to borrow “ half a million annually for the purpose “ of redeeming the debts of the kingdom: “ In *private life*, such a measure would “ be justly deemed absurd: But in a *State* “ it would be the effect of the soundest “ policy.— For in the present year the “ *National Gain*, supposing the money applied without interruption, to the redemption of debts bearing 4 per cent. interest, would have been an HUNDRED “ MILLIONS, being *debt redeemed*, or the “ sum

"sum nearly to which an annuity of half
 "a million will accumulate in 56 years.—
 "On the other hand, the *National Loss*
 "would have been **TWENTY-EIGHT**
 "MILLIONS, being *debt incurred*, or the
 "sum of all the loans.—The clear ba-
 "lance, therefore, in favour of the na-
 "tion, would have been **SEVENTY-TWO**
 "MILLIONS."

Now let us examine this
 with candour and impartial-
 lity. 'Tis asserted that half
 a million borrowed annually,
 for 56 years, and applied to
 the discharge of our debts
 at 4 per cent. interest, the
 nation would have gained £100,000,000
 The national loss in the same
 time would be — 28,000,000
 The clear balance in favour
 of the nation — £72,000,000

This great national gain of seventy-two
 millions is ascribed to the plan of borrow-
 ing. Now, I am of opinion that the na-
 tion would not receive the least gain or
 advantage by such a measure. But at the
 end

end of 56 years, without borrowing a
 shilling, *ceteris paribus*, (consider this mat-
 ter in whatever way you please) the event
 would have been precisely the same.

Let me endeavour to explain this by a
 clear state of the question. Suppose in
 the year 1716 the national debt was 72
 millions, that it paid 4 per cent. interest
 for the same, that its whole taxes and re-
 sources could by no means be extended
 farther than to pay the interest of the debt
 of 72 millions, and the current expences
 of the year, its ability could not extend a
 shilling farther; so that its debt must con-
 tinue the same. However, it is resolved
 to try, by way of expedient, if the bor-
 rowing half a million annually at the same
 rate of interest, would not afford relief,
 and in time lessen the debt by a constant
 application of it for that purpose.

88,000,000

88,000,000

88,000,000

88,000,000

In

In the year 1716, the national debt	
suppose	£ 72,000,000
One year's interest at 4 per cent. is	2,880,000
	<hr/>
The amount of the fund is	2,880,000
Borrowed	500,000
	<hr/>
	3,380,000
	<hr/>
The amount of the debt in 1717	71,500,000
One year's interest on this sum is	2,860,000
	<hr/>
	74,360,000
Deduct the fund, and money bor-	
rowed as before	3,380,000
	<hr/>
The debt in 1718	70,980,000
One year's interest on this sum	2,839,200
	<hr/>
	73,819,200
Deduct the fund, &c. as above	3,380,000
	<hr/>
The debt in 1719	70,439,200
One year's interest on this sum	2,817,568
	<hr/>
	73,256,768
Deduct the fund, &c.	3,380,000
	<hr/>
The debt in 1720	69,876,768
One year's interest on this sum	2,795,070
	<hr/>
	72,671,838
Deduct the fund, &c.	3,380,000
	<hr/>
The debt in 1721, which deducted	£ 69,291,838
from the orig. debt, shews how	<hr/>
much the debt is red. in 5 years	2,708,162
	<hr/>

The state of the new debt for the same time.

Borrowed at the end of the year 1716 \pounds 500,000

One year's interest on the same, at 4 per cent. 20,000

520,000

Borrowed in 1717 \pounds 500,000

Debt in ditto \pounds 1,020,000

One year's interest on this sum 40,800

Borrowed in 1718 \pounds 500,000

Debt in ditto \pounds 1,860,800

One year's interest on this sum 62,432

1,923,232

Borrowed in 1719 \pounds 500,000

Debt in ditto \pounds 2,123,232

One year's interest on this sum 84,919

Borrowed in 1720 \pounds 500,000

2,708,161

Fractions \pounds 1

2,708,162

Amount of the new debt in 1721 \pounds 2,708,162

being the exact sum paid off on account of

old debt, to which add the sum now due

on the same \pounds 69,291,838

Due jointly on the old and new debt \pounds 72,000,000

at the end of five years; the precise sum

that the nation was in debt when this

measure was commenced; and thus would

it operate was it to be carried on for 56

or 560 years. This state of the question

shews, I think, in the clearest and strongest manner, that money borrowed of one to pay another, effects nothing towards paying off a debt, indeed it is impossible it should.—The thing is exactly the same, whether the debt be owing by the public or an individual, it makes not the least difference. You allow such a measure in *private life* would be justly deemed absurd: Indeed, every one perceives it to be so; and in a *State* it is equally so, but from its extent and magnitude it is more difficult to comprehend. But money borrowed to pay debts in either case, operates exactly the same: They only differ as more and less, but their relations, proportions, and effects, are immutably the same.

It may be objected, that the doctor did not intend the interest should be calculated on the money borrowed. If so, to that I answer, then his scheme would be too partial to be just: For the interest is as much a debt as the principal, and must be paid even with more punctuality. But it may be said, that compound interest should not be allowed. I answer, there is no foundation for such an assertion: For if money

money is to be borrowed to discharge the interest, it then becomes principal, and is subject to interest, and that interest again to interest, and so on, *ad infinitum*.—But it may be said, it is plain the doctor intended the interest of the sums borrowed should be discharged by taxes laid on the people; otherwise what does he mean, in p. 16. by saying, “Without providing any other Funds than such small ones as shall from year to year become necessary to pay the interests of the sums borrowed.” I answer, I admit that to be his meaning, and must beg leave to think 'tis plainly begging the question. For, the *Nation* either has it in its power to discharge its debts, or it has not; if it has, then borrowing money for *that* purpose is an unnecessary measure, and should by all means be avoided. But if it has it not in its power, then to say it shall provide Funds to discharge the interest of the sum borrowed, is to subject it to a burden it is confessed it is not able to bear, which inability suggested the necessity of the measure of borrowing. And though the Funds, for that purpose, are called such SMALL ONES, yet if they are considered as

accu-

accumulating for the term mentioned, they will be found to equal the *large* debt discharged.

But, if we should admit (though I by no means think it admissable) that the Nation could provide Funds for any length of time for the payment of the interest of the sums that is proposed to be borrowed, over and above the interest of the present debt, and all current and incidental expences. I then insist, that borrowing money for the payment of the debt is an unprofitable measure, and altogether unnecessary. For if the Nation can pay the interest of the money borrowed, that is, if they can pay an annuity increasing at the rate of £ 20,000 every year, that sum applied annually for 56 years towards the discharge of the *National Debt*, will as effectually answer the purpose, and discharge as much of the *Debt* as the borrowing half a million annually for that purpose. And I appeal to the doctor, as a Gentleman of *veracity* and *honour*, if this be not precisely the case? If so, why then should we deceive ourselves with schemes of borrowing, and give a seeming utility and important

portant advantage to a measure which is a mere matter of amusement?

This brings me back to the sense of my former universal *maxim*, viz. If the income of a *State* exceeds its *outgoings*, the *surplus* being inviolably applied towards discharging its debts, they would be continually diminishing, and in time it would totally discharge them. But, on the other hand, if its *outgoings* exceed its income, its debts would constantly increase, and finally terminate in inevitable ruin. To borrow money, or to depend upon the powers of a sinking fund, would be only to deceive ourselves; our fate in such a deplorable situation would be absolutely fixed, and without all remedy, unless we should grow wise in time, and bring our expences within our ability to bear them. Indeed, where the *outgoings* of a *State* exceeds its income, there can be no such thing, properly speaking, as a *Sinking Fund*; there may be *surplus's* of particular funds, which may be called by that name, and they may be applied towards the discharge of the *National Debt* in the way you recommend, and as was originally

nally designed; but what relief would such an application afford, if while you discharge or redeem half a million of debt by the sinking fund, you contract or incur a new debt annually to twice that amount; that is, while you pay off one million, you contract a new debt of two; so that by the time you have redeemed SEVENTY-TWO MILLIONS of debt, you will find yourselves ONE HUNDRED and FORTY-FOUR further in debt. In short, I have no idea of a sinking fund, or its efficacy under such circumstances; we may fancy its effects as omnipotent as we please; but a superior rising debt would be more omnipotent than it, if I may so speak, and would render null and void its whole efficacy and power.—We may call it paying simple interest for the money we borrow; but all who know the use of money know, that every one who pays the interest punctually when it becomes due pays compound interest, or what in every sense is equal to it. For should he borrow money on interest, or discount bills to pay it, that would be paying compound interest in express terms. But should he have cash to pay it without, that cash would

would at least have made an interest which still amounts to the same thing.

That would not only be a barbarous, but a foolish policy, (p. 14.) that should "run a kingdom in debt MILLIONS, in order to save THOUSANDS;" but the *acts* of necessity must not be considered as crimes of choice, or weakness of ministers. If they are depraved and corrupted, and your Parliament venal and unfaithful, are not the latter of your own choice, and the former commonly chosen of them? Consider then where venality and corruption began. If a *constituent* will sell, surely the *purchaser* has a right to do so; at least the former has no title to complaint, he has received the price of his folly and wickedness, and therefore should be content, and wear, without grumbling, the fetters he forged for himself, and his posterity.

If depravity, degeneracy, and corruption, are become universal; it is unreasonable to expect infallibility from people in office. If individuals are corrupt, I am afraid they are seldom made better, by the Army, Navy, Law, Church, or State.

G

Such

Such as individuals are, such may they be expected to be when appointed to different posts. A bad man is seldom made better by an increase of wealth and power.

But you say, Sir, p. 19. "Many schemes
 "have at different times been proposed
 "for paying off the National Debt. But
 "the inventors of them might have spared
 "their labour. Their scheme could not
 "deserve the least notice. The best scheme
 "has been long known," &c. Meaning
 the sinking fund, and thinking it impossible
 any other should answer. A sinking fund
 would most certainly answer the desired
 end; but we have none, I fear, at least in
 my sense of it. But I apprehend there are
 many more schemes than one which would
 answer as effectually as that, and in far
 less time; but such as never have been put
 in practice, what might have been their
 success can never be known. There is
 one scheme, however, I will venture to
 recommend before I have done, which,
 under your *auspices* and *direction*, I think
 must prove infallible. Or if it should not
 redeem the National Debt, it would at
 least render us superior to it, and secure us
 from

from the ruin which now threatens to destroy us. But for this I must request you will give me credit for a few pages.

As to the *Sinking Fund*, though you have treated of its nature and operations so fully, I find, by the conversation of several, they have quite mistaken your meaning; and, instead of being informed, have been mislead. You every where compare it, in its operations and effects, when applied in discharge of the National Debt, to money bearing compound interest; and that it accumulates in the same beneficial manner. This, as a comparison, very well serves to illustrate and explain your meaning; but many, it seems, have mistaken the *thing* it is compared to, for the *thing* itself; between which I observed there is an infinite difference. They replied, if so, there must be a strange fallacy in the doctor's argument which they had not discovered. I told them that was for want of attending to the whole of it. I will therefore endeavour to explain this matter in the easiest and clearest manner I can.

The general idea of *A Sinking Fund* (as the doctor has well defined) signifies “any SAVING or SURPLUS, set apart from “the rest of an annual income, and appropriated to the purpose of paying off, “or sinking debts.”—The original intention of instituting such a *Fund*, was, that it should be inviolably applied towards the discharge of such debts as had or might be contracted during the times of extraordinary expence, when they might happen to be so great, as to render it imprudent or inconvenient to tax the people so high as such outgoings made necessary. Therefore it was thought a more eligible way to borrow money for the present, and to apply the sinking fund towards the discharge as it should arise hereafter.

But, in process of time, it has so happened, that our expences or outgoings have been so exceedingly multiplied, that the *National Debt* is grown to an enormous size, far beyond what it was thought possible, even by the ablest statesmen, for the nation to bear. So that to discharge the interest of the present debt, and pay current expences, requires the raising annually

usually much heavier taxes *now*, than the state required *then*, even in the times of the greatest *Exigence*, when it was thought more prudent to borrow than to distress the people by taxing them higher.

This has put Administration under great difficulties. The people groan under a load of taxes, which are become intolerable; therefore, let the exigences of the state be as great as may be, to increase a load already much too great, is universally opposed. The general voice then, is, borrow more money, or apply what you have in the *Sinking Fund*, rather than multiply or augment the taxes, which the people *cannot*, which it is feared they *will* not bear.—As the least evil, that of applying the money in the *Sinking Fund* to the discharge of current expences, is adopted, and the payment of the former debts thereby procrastinated. This is the alienation the doctor complains of; and maintains, that it would be infinitely better to borrow money for the purpose; for, by means of such alienation, you run the kingdom in debt MILLIONS, in order to save THOUSANDS; meaning, that if the money in the

the sinking fund was applied to the payment of the former debts, it would bear *compound interest*, and if money was borrowed in its stead, for it, the kingdom would only pay *simple interest*. This it is that has imprinted a false idea of this matter on the minds of many.

In order to set this in a clear, and at the same time, a true light: Let us suppose the interest of the *National Debt*, and the current services, require taxes to be raised annually to the amount of six millions; that however eight millions is the amount of the present taxes, beyond which they cannot be extended, without distressing the people beyond all measure. Here is a clear *Surplus* or *Saving* of two millions per ann. which passes into the Sinking Fund, and by it is applied towards the discharge of the National Debt. From hence it is clear, two millions of debt would be discharged annually, so long as the Fund and its application should be continued; besides the interest of each two millions at the end of each succeeding year, and also the interest of such interest. Let us suppose this measure to continue
three

three years only. At the end of the first year two millions of debt is discharged; at the end of the second, two more, together with the interest of the first two millions; at the end of the third, two more, together with the interest of four millions, and the interest of the interest of the first two millions. At this time a war happens to break out, and the current service of the state requires eight millions in the room of six; therefore Administration must either increase the burden of taxes a fourth, that is, from eight to ten millions; or else they must apply the two millions in the Sinking Fund to current service, and let the National Debt continue till better times. Should we go on in this way for twenty or an hundred years, the *debt* would continue the same exactly, without the least increase or diminution. Whereas had the six millions paid in the three former years, together with the interest upon it, been money at, or operated like money at compound interest, this could not have been the case; for then those sums would have daily accumulated as money at compound interest doth; and in time would have totally discharged the
National

National Debt, was its magnitude ten times as great as it is. Here then it is the doctor's comparison totally fails.

The truth is, the money arising from the Sinking Fund, as suppose the six millions abovementioned, or any other sum, applied as above, neither is money at compound interest, nor are its effects analogous thereto. Two millions applied by the sinking fund, or any other way towards the discharge of the debt, would reduce the sum so much, and consequently the interest of the same. But there its whole efficacy or power determines and ceases for ever. The question then is, supposing this to be true, what is the interest, and the interest upon interest above talked of, and how is it produced? I answer, that it owes its existence to quite another *Source*, which is the *people's pocket*. The money paid, as suppose the six millions abovementioned have wrought their whole effect, the interest of two millions paid the first year, the interest of the four millions paid the first and second year, and the interest of the interest paid the first year, let the amount be what it will, not a shilling of

Of it was produced by the said six millions, but was so much money paid by the people for the interest of four millions of debt they had before discharged. And it would have operated exactly in the same manner, had the same sums the interest amounted to been paid towards the discharge of the debt, so far as they extend, whether the six millions had been paid or not. So that the whole interest, which is said to accumulate from such payments, do not at all arise from the payments, but from the money paid by the people from time to time, over and above the interest of the present debt.

The amount then of the doctor's whole argument is this. If Administration should think proper to lay taxes on the people to such an amount, as may produce two millions annually, (or any other sum) over and above what the whole present outgoings amount to, it would sooner discharge the *National Debt*, than if the annual payments should decrease, in proportion to the decrease of the debt: that is, in other words: A larger annual payment will sooner discharge a debt than a less.

H

A

A proposition which wants no proof. This is precisely the case: and I do maintain, that whatever may be the amount of the *National Debt*, together with all interest that either is, or shall become due, to discharge the same by means of a *Sinking Fund*, as explained and insisted on by the doctor, every penny must first or last be paid by the people. Therefore, the difference between applying the sinking fund to the payment of debts, already contracted, and applying it to current services, to prevent the contracting new debts, respects the times of payment solely. For, in both cases, the whole money *must* be paid by the people, first or last.—The question remaining then, is this only. Whether the present intolerable burden of 140 millions, shall be discharged by the present generations, or whether the whole, or any part of it, shall be handed down to posterity, as our forefathers handed it to us?

I would not take upon me to defend, either the humanity or justice, of laying the whole burden of discharging the *National Debt*, on the present generation.

tion. But should any one so far set his heart upon it, as to see the miseries, and hear the groans our heavy burdens occasion in many families, unmoved; he must certainly have extinguished the fine, tender, but forcible feelings of humanity, which 'tis natural for parental affection to inspire; to make room for a rigid virtue of a very romantick cast. A task as difficult, as to displace and tear away the whole arterial or vascular system; and, I am afraid, would be approaching too near a robbery committed on our immediate offspring; whom nature, reason and justice, have made it our indispensable *duty* to provide for and support; in order to be generous to those who do not, and perhaps never may, exist.

But to proceed, I will now shew that money applied inviolably by the sinking fund, to the discharge of the *National Debt*, agreeably to the intention of its first institution, is neither money bearing compound interest; neither are its effects equal, or analogous to it. But that money bearing compound interest is, in its opera-

tions and effects, infinitely preferable to it.

Let us admit as before, that the sinking fund furnish two millions *per annum* for three years, and no more: that instead of applying it to the discharge of the debts, it is resolved to employ it so, as to make a compound interest of it at four per cent. to accumulate according to the nature thereof. But first let us see what an annuity of two millions at four per cent. would accumulate to in three years. Which I find to be £ 6,243,200. As money at four per cent. compound interest, more than doubles its value in 18 years, we will say, that the above sum will be £ 12,486,400. at that time, and by continuing to double the sum every 18 years for 90 years; in that time, the above sum will accumulate nearly to 200 millions; which would pay off the whole amount of the National Debt, and leave nearly 60 millions in bank.

I must here beg leave to observe, that this great business, which has been thought
im-

impossible to be effected, may by this method not only be effected with ease, but without ever taking a penny from the people, after the two millions per annum, for the first three years; furnished by the sinking fund; and further, leaving the produce of the sinking fund, to be annually applied towards the current service. A circumstance of immense utility to the people, and what is insisted on by the doctor, cannot be alienated, but at the expence of our existence as a nation.—

The doctor maintains, A SINKING FUND is the ONLY mode that can possibly deliver us from impending ruin: but I appeal to every impartial man, if the above scheme is not INFINITELY preferable in point of ease, and *certainly* more effectual, for very obvious reasons.

But if any should think 90 years too long a term, to continue the National Debt at its present height, it may be diminished at different periods, by extending a part of it to a more distant period, and the advantages would by such means be much sooner experienced.

Let

Let us suppose as before, that the managers
of our affairs are possessed of £6,243,200. a-
rising from two millions per annum for three
years, this in 18 years would accumulate to
twice the sum, or

In 36 years to	12,486,400
Of which let be apply'd towards the discharge of the debt	24,972,800
	12,000,000

Then there remains to accumulate	12,972,800
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In 18 years more, or the 54th year, the sum will be	25,945,600
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Of which apply as above	12,000,000
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Remains	13,945,600
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In 18 years more, or the 72d year, the sum would be	27,891,200
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Of which apply as above	12,000,000
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Remains	15,891,200
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In 18 years more, or the 90th year	31,782,400
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Of which apply as above	12,000,000
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Remains	19,782,400
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In 18 years more, or the 108th year	39,564,800
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Of which apply as above	12,000,000
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Remains	27,564,800
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In 18 years more, or the 126th year	55,129,600
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Of which apply as above	12,000,000
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Remains	43,129,600
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In 18 years more, or the 144th year, sum in hand	86,259,200
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Paid at six periods, at 18 years distance, 12 millions each	72,000,000
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Total amount	158,259,200
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Deduct the amount of the whole National Debt	140,000,000
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Surplus remaining in bank	£ 18,259,200
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From the above calculation it evidently appears, that the National Debt may be totally discharged, without subjecting the people to the least burden, either by increase of taxes, or otherwise, in the space of 144 years, and leave a capital in bank of above eighteen millions and a quarter. This may be thought a long term: but it should be noticed, that it is the remotest period. Twelve millions are to be discharged at the end of thirty-six years, twelve more at the end of 54 years, and so on twelve millions every 18th year, till the whole is discharged. The discharging the debt, in the time above-mentioned, is not the only advantage that will attend this scheme, for with every twelve millions which will be paid off, its interest will sink with it. The 36th year the taxes would be lessened £480,000, per annum; the 54th year £960,000. per annum; and so on at the rate of half a million nearly every 18th year, through the whole term.

The superior advantage of a scheme, which would effectually discharge the National Debt, without laying the least future

ture burden on the people, over any other, that requires the actual payment of 140 millions; is surely of itself too powerful, to stand in need of any further aid from argument or recommendation.

If the length of time should still be objected to, I answer, That circumstance constitutes its powerful merit, and is at the same time its security. A security that nothing else can give it, and, I will venture to say, whatever schemes may be devised to effect it in a *short* time, will prove *felo de se*, and destroy themselves. Our outgoings, even in time of peace, are very large, and consequently our taxes immoderately high; therefore, every measure that may depend upon a considerable increase of them, will end in fruitless hope, and certain disappointment.

The doctor's reasoning, concerning the reduction of interest, I own I do not understand. He frequently speaks of them, as being of little importance to the state; and yet, I think, he has shewn they have been of vast utility to it. From the year 1726, to the year 1766, he says, they
have

have been the means of the advance of near a million and half per annum; that is, the produce of the latter year was so much more than 'twas in the former; if so, whatever may be the amount of the difference in these 40 years, has been so much saved in taxes, and consequently the people have been so much benefited thereby. The reduction of interest, appears to me, to be equal to paying off a part of the Debt. As for example, £ 100. at six per cent. produces the same sum as £ 200. at three per cent. therefore, if we compute the value, by the value of the produce, £ 100. in the first case, is equal to £ 200. in the last. Or, in other words, £ 100. interest being at three per cent. would purchase as much stock *ceteris paribus* as £ 200. would, interest being at six per cent. From whence it seems to follow, that if four per cents were reduced to two, and three per cents to one and an half, they would be worth no more than half their present value. To pursue this argument farther. If interest should be reduced very low, or next to nothing, the value of the stocks, to which such interest be-

I

longed,

longed, would be reduced very low, or to next to nothing too.

I do not mean to recommend such a reduction as being either just, or practicable; that is quite beside my present intention; but this argument may serve to shew, that the more the rate of interest is reduced which the public pay, the burden they bear decreases in the same proportion. How then such a measure should *lessen the possibility* of avoiding a public bankruptcy, I cannot at all conceive.

There are some reflexions in the doctor's Supplement, which do great honour to his judgment, p. 17, 18 and 19. The demolishing cottages and small farm houses, and engrossing farms, are justly to be numbered among the greatest of our national evils, as they have a direct tendency to depopulate the country, by driving out the laborious and most valuable part of its inhabitants. Fashion certainly governs the world, and there is a kind of contagion in example. The above practice has prevailed to a shameful degree, but, I hope,

hope, the folly of the practice begins to be seen and understood ; as I have heard, some Gentlemen are about to erect houses for farms on the same spots, which but a few years since they caused the houses which stood thereon to be pulled down. — But there is a part of this argument, which, I think, is not founded on facts. It is, that a great farmer is capable of paying a higher rent ; and therefore concluding, that our superiors find their account in it. That a Gentleman has far less trouble with a great farmer, than with many little ones, is certainly true ; but that he can afford to pay a higher rent, I believe with pleasure, is a mistaken opinion. I say, with pleasure, because I don't know a practice that is more replete with public mischief. — I have lately seen (a manuscript which is nearly ready for the press) a Treatise on the improvement of the Lands of this Kingdom, in which the author maintains, that the large estates are capable of being improved to double their present value. The dividing large estates into midling and smaller farms, is not the least among the improvements proposed. The author asserts, that, in general, an estate

which lets to one tenant for £ 1000. per annum, would be worth 1500, if divided into from ten to twenty farms; and, I think, gives satisfactory reasons in support of his opinion. This is a fact, which Gentlemen little understand, and, perhaps, do not at all believe; and yet I am persuaded, from my own observation and experience, it has a great deal of truth in it: therefore, the *private* benefit, which *public* calamity is said to be erected on, may, in many cases, be totally imaginary,

But to return to the former subject. If the doctor's apprehensions are well founded: that the National Debt, is a state engine, kept on foot to favour the most wicked purposes, then it can answer no good end, to contrive proper and effectual means to discharge it. 'Tis all lost labour, and can only serve to exasperate those, it was meant to serve. Whatever might be the wicked intentions of the most corrupt administration of Sir Robert Walpole; I flatter myself, both the reason and the practice, in this view ceases. The difference between forty millions of debt, and one hundred and forty, is very great; but

but the former, for the purposes mentioned, may be much more proper, than the latter. Be the cord ever so strong, it may be stretched so tight, that a small plunge would snap it. Great strength is necessary to bring Mr. Jacobs's new invented wheels into a perfect circle; but that strength may be so increased, as to crush the mould that gives them form, and, of course, destroy the whole apparatus. 'Tis infinitely more hazardous to exasperate a large multitude, than to bear with the complaints of a few: means may be found to pacify the latter, but the momentum of the former, like a troubled and stormy sea, is not to be overcome.

If no security can be obtained, for the faithful and inviolable application of the produce of any *Fund*, which may be established; if neither law, or faith of *Parliaments*, can give us the invaluable blessing once solemnly promised us, which we can never enjoy for want of public virtue; then, I say, doctor, 'tis high time for the people to take care of themselves. Governors rule for the benefit of the governed; but when they forget and neglect their duty,

duty, so far as to suffer those they should protect and defend, to become the prey of avaritious and greedy dependents, the wicked ministers of venality and corruption; the future well being of the people, yea, their very existence, then depends upon themselves, and it behoves them to place that security and safety where they cannot be deceived, so long as they are just and true to their own interest.

This, at length, leads me to the last resource, which is, to resolve either to discharge this great, this *National Grievance*, or render ourselves superior to it. This work, great as it is, doctor, is reserved for you. You are, in nomination, to be Captain General, and upon your conduct, and by your powerful interest and example, its hoped success depends. — But I can go no farther, without first settling one thing. I am at a loss what to call this address. Whether it shall be the Invitation, or the Challenge? But why should we be scrupulous about words? Those are best, which best express our meaning. Let it be then,

THE

THE CHALLENGE.

The first step, doctor, to this great work: A WORK which is intended to make *future* generations happy and glorious. The first step, I say, is to chuse out TEN THOUSAND brave men. They must be genuine approved VETERANS, of the true BRITISH breed. Their hearts must lie in the right place, and every throb sound LIBERTY, INDEPENDENCE, and genuine PATRIOTISM. With this well chosen Corps, Sir, though small, You — You seem pale, doctor, I mean nothing, *vi & armis*, there is not a man in the King's Dominions, who values peace more than myself; I mortally hate all noise, mobbing, tumult, strife and sedition; I wish it was banished the world for ever. This point being settled, let us proceed. The Veteran Corps, I have mentioned, are to be employed to a very different purpose, than the transgression of the Law of God, or Man. They are, Sir, but having used the word PATRIOTISM

TISM above, I cannot proceed without first declaring what I *do*, and next what I *do not* mean by the Term PATRIOT. First then, by a PATRIOT, I mean one that sincerely loves, and wishes all kind of good to his Country, for its own sake; free from all selfish and interested views and considerations whatever. In the next place, by a PATRIOT, I do not mean any one who acts upon interested views, particularly, I do not mean, one, that is continually bawling against administration, with no other view but to shove some one off the stage, that he may jump into his place. This is a Pseudo-Patriotism, which, I am sorry to say, is too common, and has done more mischief than can be recounted in a little room. — But PATRIOTISM may be again further distinguished and divided into *active* and *passive* Patriotism; the first is always ready, cheerfully to contribute either in labour, or money, as far as is reasonable and fit, to promote every undertaking that has the real good of its country in view. The latter professes as warmly, and prays as devoutly for its success; but would hardly cross the threshold, or advance a shilling to
render

render it immortal. The first I call REAL
PATRIOTISM; the latter NOMINAL, and
surely 'tis no more; And the contribution,
or non-contribution for the promotion of
it, I call

THE TEST OF PATRIOTISM.

But let us return to our Veteran Corps;
They are, Sir, to follow your example,
if they will be prevailed upon to do it,
and you'll be prevailed upon to let it them.
'Tis only to advance Twenty pounds each,
to be employed as hereafter: But do not
think, Sir, I would recommend the doing
a thing to you, which I would not do
myself; I will make one of the number
with all my heart, and supposing we can
make up 10,000, that number at £ 20.
each, will amount to £ 200,000. Now,
Sir, that this scheme may operate effec-
tually, and answer the intended purpose,
I mean, that this subscription shall last
20 years, which will be an annuity of
£ 200,000. for 20 years, and at the end
of the same will amount to £ 5,955,600
at four per cent. compound interest, and
in 20 years more, say at the end of

40 years, will accumulate to 13,042,764

As money at the above rate;

of compound interest, more

than doubles itself in 18

years, let us suppose it so

employed, as only to dou-

ble its value in that time,

then the above sum, at

the end of 58 years will

amount to 26,085,528

In 76 years to 52,171,056

94 years 104,342,112

112 years 208,684,224

130 years 417,368,448

148 years 834,736,896

166 years 1,669,473,792

184 years 3,338,947,584

202 years 6,677,895,168

220 years 13,355,790,336

But it will be natural for you to en-

quire here, to what end or purpose is all

this? What has this to do with the Na-

tional Debt? A little patience, good doc-

tor, if you please; this only serves to shew,

what you already know, as well as any

man in England. But possibly you might

never

never think of applying it to such a purpose.

It appears as above, that by this Plan, such a sum as first mentioned, would accumulate to above 104 millions in 94 years; and to above 208 millions in 112 years. The SOCIETY then, at the head of which you originally stood, will have it in their power to do, what you despair of ever being done, and of saving their country from that ruin and destruction, which is generally, and by you particularly, thought impracticable. You have set forth your reasons at large, which destroy all hope. If then the faith, and virtue of Ministers, and a Parliament, cannot be trusted to; if measures of Government are adopted, with a view to hold the people in the bondage of an insupportable debt, with an eye to sinister purposes, as you maintain: why should not individuals be just, and true to their own interest and preservation, and lay such a foundation for future prosperity, which neither *Ministers*, nor their MASTERS can shake. A Society which has it in their power to become the sole *Proprietors* of the whole *National Debt*, with a *Surplus*

above 277 millions, which they would have in 130 years, or what is more still, with a capital of 694 Millions, which they would possess in 148 years from this time, would give them such a degree of *Superiority*, that they might look down on *Ministers* and their *Employers*. To pursue this argument, might lead us too far; but I must remark, that a Government abstractedly considered is *nothing*. Its whole power and energy is derived from the united powers of its individuals; were they frugally, industriously and virtuously unanimous, no power could enslave or impoverish them. But if individuals are to mean to security, protection, and *Support* too; by servilely cringing to beg what they have in themselves adequate powers to obtain, they have not the least right to compassion or relief.

The above calculation clearly shews what a foundation may be laid at a small expence, on which to erect a *Monument of Glory*, which in the next Generation, would deservedly be the admiration and envy of all Europe. But it may be asked, if 'tis possible to make four per cent. per annum

annum of such a sum at compound interest. I answer, there is not the least difficulty in it; under the present circumstances of the times, it is to be done with ease.

But it has been suggested, there is not the least hope of meeting with ten thousand persons of one mind. The want of unanimity, is the rock on which all split. Mankind are of one mind in nothing; but the enjoyment of the present hour. All hopes of future blessings, are therefore sacrificed to the present moment. How vain is it then to expect, that Ministers should combat with the passions of all mankind, to do that for them, which they have not virtuous resolutions enough to do for themselves.

However, Sir, let us not despair; there are Plans in miniature, that are perfectly similar, and equally efficacious, in proportion to their extent, or the number of Subscribers. If 10,000 cannot be found, perhaps 100 may; if not, perhaps 20. But if there should be only *five*, I will make one, and upon such a diminutive supposition,

tion, I beg leave to subjoin the following
schemes

Suppose 20 Members agree to subscribe
ten Guineas per annum for ten years, that
would be equal to an annuity of £ 210.
and such an annuity at the end of ten
years would accumulate to £ 2520
reckoning it at four per cent
compound interest.

That sum in ten years more, or
at the end of 20 years interest
as before, would be

In 40 years	3729
In 60 years	8166
In 80 years	17,883
In 100 years	39,163
In 120 years	85,767

As money at four per cent. compound
interest, more than doubles its value every
18 years, we may double the sum for
each term of 18 years, which will be
near enough for our present purpose, then

In 118 years, the amount will be	£ 171,534
In 136 years	343,068
In 154 years	686,136
In 172 years	1,372,272
In	

In 190 years	-	-	2,744,544
In 208 years	-	-	5,489,688
In 226 years	-	-	10,978,176
In 244 years	-	-	21,956,352

So that at the end of the last term, the representative of each subscriber, at 10 Guineas per annum, for 10 years, which is only 100 Guineas in all, will have a *share or interest* in the said *Fund*, amounting to ONE MILLION, NINETY-SEVEN THOUSAND, EIGHT HUNDRED, AND SEVENTEEN POUNDS. An inducement one would imagine sufficient to prevail upon every one who has a very little money to spare, and has any regard to the prosperity and happiness of posterity to become a subscriber, and promote a scheme that is not subject to any possible abuse.

I beg leave, doctor, to recommend the above schemes to your consideration; and so far as they may be thought worthy of it, to your countenance and protection. I should be very glad to see my name on
the

the same list with yours, on the
 similar occasion. And
 In 20 years - - - - -
 In 22 years - - - - -
 In 24 years - - - - -

So that at the end of the last term, the
 representative of each subscriber, at 10
 Guinea per annum for 10 years, which
 is only 100 Guinea in all, will have a
 share or interest in the said fund, amount-
 ing to Ninety-seven
 THOUSAND, EIGHT HUNDRED, AND
 SEVENTEEN POUNDS. An indentment
 of the said fund, sufficient to pay the same
 upon every one who has a very little money
 to spare, and has any regard to the pro-
 sperity and happiness of society to be-
 come a subscriber, and promote a scheme
 that is not subject to any possible doubt.

I beg leave, to recommend
 above schemes to your consideration; and
 to say as they may be thought worthy of
 it, to your countenance and protection.
 I should be very glad to see my name on
 the

JOS. WIMPEY